

Honolulu, Hawaii

FEB 14 2020

RE: S.B. No. 2522

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 2522 entitled:

"A BILL FOR AN ACT RELATING TO CLAIMS AGAINST THE STATE,"

begs leave to report as follows:

The purpose and intent of this measure is to motivate departments and agencies to adopt the behavior, policies, and operations as necessary to avoid repeated offenses and claims against the State. Specifically, this measure repeals the state risk management revolving fund and requires that claims against the State be paid by the department or agency that is found liable for the claim as determined solely by the attorney general. This measure also authorizes a department or agency that is financially incapable of meeting its obligation under a claim against the State to request that the governor transfer available moneys to meet that obligation, provided that any money transferred is repaid by that department or agency in annual installments.

Your Committee received testimony in support of this measure from Community Alliance on Prisons. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance, Department of Public Safety, Department of the Attorney General, and Department of Accounting and General Services. Your Committee received comments on this measure from the Department of Human Services.



Your Committee recognizes the concerns raised in several testimonies about the elimination of the state risk management revolving fund. However, your Committee also agrees with the original intent of this bill, which directs the agency which incurred the liability to share in the payment of any settlement or judgement, with or without the admission of liability, as an effective way of ensuring that it changes its behavior, policies, or operations as necessary to avoid repeated offenses.

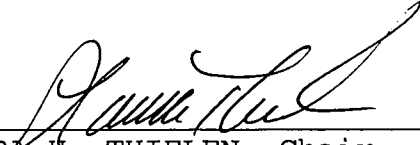
Your Committee has amended this measure by replacing the original measure with language proposed by the Department of the Attorney General that reflects current practices of the departments and agencies regarding claims against the State valued at over \$25,000, while leaving the Legislature the flexibility to require a department, agency, or agencies found liable to pay the total or a portion of the amount of a claim made against the State.

Your Committee notes that a copy of the Attorney General's recommendation should go to the Senate President, Speaker of the House of Representatives, and the Chairs of the Judiciary Committees in both chambers. Your Committee notes that the intent of this bill is to motivate good policies, training, and programs that minimize state liability. Therefore, the Attorney General's evaluation of a department's culpability is helpful, as there are times the State may find itself the target of liability due to its "deep pockets".

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2522, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,



LAURA H. THIELEN, Chair



